



July 2, 2013

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**Ex Parte**

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Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions, GN Docket No. 12-268**

Dear Ms. Dortch:

On June 28, 2013, Charla Rath, John Bareham, Christopher Oatway, Robert Morse, economist Dan Vincent and I, representing Verizon, met with Gary Epstein and Edward Smith of the Incentive Auctions Task Force; Martha Stancill, Brett Tarnutzer, Sasha Javid and John Leibovitz of the Wireless Telecommunications Bureau; and Evan Kwerel of the Office of Strategic Planning and Policy Analysis.

We discussed auction design issues in the forward auction. Consistent with our comments and reply comments, we reiterated our support for the Commission's proposal to issue licenses on an Economic Area (EA) basis, to adopt an ascending clock approach using generic 5x5 MHz paired blocks, and to allow for some degree of package bidding on a regional basis.

We also discussed the importance of assigning licenses in contiguous blocks within EAs (frequency contiguity) and across EAs (geographic contiguity), stating that both types of contiguity are important. To the extent the Commission cannot achieve this level of contiguity, frequency contiguity is more critical. To the extent possible, however, the Commission should pursue consistent frequency placements across different EAs, preferably through a transparent administrative process. We opposed the idea of assigning licenses on a random basis, which, contrary to Congress's Spectrum Act objectives, could depress bids in the forward auction and require more post-auction secondary market transactions as bidders would find it necessary to harmonize their new spectrum holdings.

Finally, we expressed support for the concept of extended bidding rounds once bidding activity has stopped, which could enable the Commission to request higher bids (and thus additional revenues) from forward auction bidders and help it meet an appropriate revenue target. Such an approach is more likely to maximize the amount of spectrum repurposed for wireless use than the alternative of reducing the clearing target in the reverse auction and offering less spectrum in the forward auction if closing conditions were not met.

Sincerely,

A handwritten signature in black ink, appearing to read "Leora Hochstein".